ANNUAL MESSAGE

OF

THE EXECUTIVE,

TO THE

GENERAL ASSEMBLY OF MARYLAND.

December Session, 1841.

ANNAPOLIS:
WM. JOHNSTON, PRINTER.
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MESSAGE.

Gentlemen of the Senate
and of the House of Delegates,

The nature and extent of our pecuniary embarrassments are so well understood, that it is only necessary, at the present time, to notice the new aspect which they have assumed since the last session of the Legislature. The law, then passed, for assessing and taxing the whole property of the State, was intended to provide a permanent revenue, of sufficient amount to pay the interest of the public debt punctually as it became due. But as it was known that some time must elapse, before the proceeds of the tax could be collected and paid into the treasury, the Commissioner of Loans was authorized to borrow five hundred thousand dollars, for the purpose of supplying the deficiency in the revenue for the present year. Loans were obtained, principally from the banks, to the amount of about four hundred thousand dollars, which enabled him to discharge the interest of the public debt on the first of July and the first of October; but it was found impossible to borrow a sufficient sum for the next quarterly payment; and I regret to say that the State is without the means of paying the interest which will become due on the first of January. It will be understood however, both at home and abroad, that the Legislature, in laying a permanent tax for paying the interest of the public debt, and in authorizing a loan for supplying the temporary deficiency of the revenue, did all that was then in their power to comply with the obligations of the State. The assessment returns have not been received from all the counties, and the amount of taxable property in the State is not yet ascertained. It will probably fall short of the general estimate, and in that case a higher rate of taxation, than is provided for by the bill of last session, will be required to meet the increasing demands on the treasury. The public debt is now fifteen millions two hundred and thirteen thousand dollars; of which, about ten millions may be considered as bearing on the State. The subscription of three millions to the Baltimore and Ohio Rail Road Company, was paid in State bonds, which have not been sold, and are not yet chargeable with interest. The previous subscriptions to that work, amounting to one million of dollars, have yielded a revenue more than sufficient to pay the inte-

194802

rest on that portion of the public debt. The Baltimore and Susquehanna Rail Road Company, having been compelled to apply its nett revenue to the payment of old debts, has been unable, till recently, to contribute any thing towards the relief of the treasury. But its profits are gradually increasing, and its debts are nearly extinguished. In September last, it paid seven thousand dollars to the Treasurer, and there is very little doubt that the future profits of the work will supply the means of paying a considerable portion of interest on that part of the debt which was contracted for its use. On the loan of one million of dollars to the Tide Water Canal Company, no part of the interest has been received since the first of last January. The loans and subscriptions to the Chesapeake and Ohio Canal Company, amounting to more than seven millions of dollars, have been the principal cause of the heavy embarrassments in which the State is now involved; and until that work is completed to Cumberland, the interest on the whole investment will continue to be a charge on the treasury. While it is therefore of the utmost importance to finish the canal, it is evident that we have not the means of providing funds for that purpose. It would be unavailing to attempt to borrow money, at present, on the credit of the State, or to force out a new issue of bonds, when those which have already been offered for sale are rejected in every market.

Reports have been received from the Baltimore and Ohio Rail Road Company, the Baltimore and Susquehanna Rail Road Company, and the Annapolis and Elk Ridge Rail Road Company; also from the Directors of the Penitentiary, the Commissioners of Lotteries, and the Topographical Engineer; all of which will be submitted in the course of the present week.

The law, which provides for placing indigent deaf and dumb children at the Pennsylvania Institution, makes it the duty of the executive to report to the Legislature the number of pupils sent from this State, and the amount expended in their education. That provision of the law escaped my attention, till it was too late to comply with it at the last session. A statement is now given, which embraces the whole period from the passage of the law to the present time.

The whole number of pupils has been forty-four; of these thirty-two have been discharged, leaving twelve at the institution, who have not gone through their regular course. The amount of money, expended in their support and education, from the year 1829 to the 1st of the present month, is twenty-eight thousand and ninety-three dollars.

Eight pupils have been sent to the Institution for instructing the blind, and the amount expended for their support, from the first of December 1839 to the present time, is two thousand nine hundred and seventy-four dollars. None of these pupils have been discharged.

By a resolution of the last session, the executive was required

to purchase the title of John J. Myer to the lot on which the State Tobacco Warehouses, No. 2 and 3, are erected. Mr. Myer was prevented from acceding to the terms proposed in the resolution, by the refusal of his wife to relinquish her right of dower. Since his death, which recently occurred, it has been ascertained that his representatives are unwilling to part with their title.

At December session 1835, a resolution was passed, directing the Governor to procure a sword, and present it, in the name of the State, to Captain John A. Webster for his gallant defence of the battery committed to his charge, during the attack upon the city of Baltimore in September 1814.

My attention was called to this resolution last winter, and I was then under the impression that it might be carried into effect without any further action of the Legislature. But when I came to consider, that the resolution had been adopted several years before the commencement of my official term, and that I was ignorant of the reasons which prevented my predecessor from complying with it, I was doubtful of the propriety of procuring the sword before a specific appropriation was made for that purpose. I have brought this subject to the notice of the Legislature, that they may give some new authority or direction for carrying the resolution into effect.

Some time in the month of April 1840, a murder was committed in Frederick County by Frederick Fritz, alias Jacob Brucker, who was tried at the following April term of Carroll County Court, convicted, and sentenced to be hung. A warrant was signed for his execution, but as a number of respectable persons suggested doubts of his being in his right mind, a respite was granted, to give an opportunity of collecting information respecting his previous history, which, it appeared, had not been made the subject of investigation at his trial. Numerous communications and depositions were received, setting forth the particulars of his conduct and behaviour, which showed, if they were correctly stated, that he had been subject to fits of insanity for many years, and that he was perfectly deranged, when he was last seen in the City of Washington, a few days before the commission of the murder. On the other hand, respectable and intelligent citizens of Westminster, who had opportunities of seeing and conversing with him, formed the opinion, that he was in full possession of his reason, and was subject to no disorder of mind, except that which was occasionally produced by a violent and ungovernable temper. The reasons, however, which they gave for that opinion, did not appear to be inconsistent with the accounts of his previous insanity; and after consulting with Judge Brewer, who sat upon his trial, and who thought a further investigation ought to be made for the purpose of ascertaining the condition of his mind, I was led to believe, that the ends of justice would be best answered by not ordering his execution. At the same time I was unwilling to commute or mitigate his punishment, wtihout

having satisfactory proof that he was actually insane at the time the offence was committed. Not having the power to appoint commissioners for the purpose of investigating the facts, it appeared to be the best course to wait till the Legislature met, and to suggest, as I now respectfully do, the propriety of authorizing the Court of Carroll County to examine witnesses, at its next term, with the view of ascertaining the state of the prisoner's mind.

The banks of this State have persisted so long in refusing to redeem their notes, that there is no reason to expect that they will return of their own accord to the path marked out to them by their charters. It is now a question for the Legislature to determine, how much longer they are to be permitted to disregard the laws of the State and the rights of the community.

The opinion may still be entertained, that the State banks can never be properly regulated without the aid of a National Bank; and that as their present condition is attributable to the want of such an institution, no remedy can be provided by State legislation. A reference to the banking system of England will show, how far a great monied institution, connected with the government, has had the effect of limiting the number, or regulating the issues of local and private banks.

Country banks began to spring up in every part of England immediately after the war of the revolution, and continued to increase till the year 1792; when a redundant currency and a general spirit of speculation and overtrading produced a violent reaction, and consequently "an extent of misery and bankruptcy which until "then had never been known in that country." Three hundred and fifty banks had been in full operation; and of this number, one hundred stopped payment, and upwards of fifty were entirely destroyed.

In 1797, another crisis occurred. In the latter part of the previous year, heavy demands were made on the country banks; and some of these failing, all confidence was at an end, and the Bank of England was reduced to so great an extremity as to be compelled to suspend specie-payments; which were not resumed till the year 1819.

In 1816 and the two previous years, two hundred and forty country banks stopped payment, of which number, eighty-nine entirely failed. One pound notes were then in circulation, and to use the words of the writer, from whom these statements are taken, "the failures that then occurred affected the industrious classes, "swallowing up in an instant the fruits of a long life of laborious "exertion."

In 1823 confidence had revived; and the banks began, as usual, to enlarge their issues; and in the two following years, the amount of their paper in circulation was increased nearly fifty per cent. Speculation, overtrading, and extravagance immediately ensued; which, in the year 1825, terminated in another scene of distress, bankruptcy and ruin.

Nothing is more common than to ascribe public embarrassments to some other cause than the real one, and consequently to provide remedies which frequently aggravate the evil. Prior to the explosion in 1825, a bank partnership could not consist of more than six persons; and it was supposed that the mischiefs of the banking system were caused in a great measure by that regulation. Accordingly, joint stock companies were established, without any limitation as to the number of partners. Three of these companies commenced operations in the year 1826; in 1835, the number had increased to fifty-six; in 1836 forty-five new companies were formed; and many of these having numerous branches, it was computed that two hundred joint stock banks were established in that year. They immediately commenced the work of adding to a paper currency already redundant, and continued to increase their issues till late in December 1836; when the credit system, having been strained to its utmost limits, suddenly gave way, and a change from artificial prosperity to real distress, such as invariably attends the excessive use of paper money, immediately took place in every part of England.

This sketch of the English banking system shows, that the Bank of England, for half a century past, whether in time of peace or war, or during the continuance of specie-payments or a general suspension, has been unable to control joint stock or private banks, or to regulate their issues, or even to protect itself from the effect of their mismanagement. It is therefore difficult to conceive, how the banking system of the United States, pushed as it generally is to the verge of bankruptcy, can be regulated by a national bank or a fiscal corporation. There can be very little doubt, however, that the banks of every State may be controlled by the authority from which they derive their charters.

Whether the banks of this State ever intend to redeem their notes is altogether uncertain; though there has been occasionally a rumour that they were ready to resume, whenever a similar movement was made by the banks of Pennsylvania, Virginia, and the West. But to make resumption in Maryland dependent on the course pursued elsewhere, is to postpone it to an indefinite period. If the banks of each State were permitted to act as they pleased, till those of other States chose to comply with their obligations, the consequence might be, that instead of encouraging each other to resume, they would enter into a general combination to prevent it.

It has been frequently remarked, that the people owe the banks, and the banks owe the people; and that if the first will pay, the latter will do the same. Individuals, and not the people, are indebted to the banks, and are often accommodated and indulged at the expense of the whole community. The great mass of the people, especially in the country, do not apply for bank loans, and could not obtain them if they did; but they all have an interest in the value of the paper which is daily passing through their hands.

The reason, generally assigned by the banks for not resuming, is, that it cannot be done without serious injury to the community. Individuals might give the same reason for not paying their debts, that is, that they could not collect the money which they had loaned out, without putting their debtors to inconvenience. This excuse might be urged at all times, and if sufficient, would justify a perpetual suspension. It has also been urged, as a reason for not resuming, that the exchanges are too much in favour of the eastern cities. Baltimore notes are at a discount of three or four per cent. in New York, because they are not paid in specie. This is not the rate of exchange between the two cities, but a difference of value between the paper of their respective banks. And it is hardly necessary to add, that the depreciation in the paper of our banks, having been caused by their refusal to redeem it, ought not to be urged as a reason for their continued suspension.

It is supposed that the banks of this State find it more difficult to redeem their paper, because they are not permitted, like those of New York, to issue notes of a less denomination than five dollars; and thus the failure to comply with their promises is suggested as a reason for extending their privileges. They would gain by the destruction of the small notes, in proportion to the loss of the public; and this is the only advantage they could derive from their issue. If an inferior currency had not already banished specie from circulation, the banks might succeed in drawing it from the pockets of the people by means of their one dollar bills. But if they kept it in their vaults, they would gain nothing by the operation; and if they parted with it, their liabilities would be increased in proportion to the amount of their new issues. The risk of suspension would be increased in a much greater proportion; because the small notes would pass into the hands of a greater number of that class of persons, who suffer most from such issues, and who, for that reason, are more likely to make a run upon the banks.

Admitting however, that the privilege of issuing small bills might be convenient to the banks, the proper enquiry is, whether it would be of any advantage to the community. The people are already tired of small notes, and that is their principal reason for wishing a resumption of specie payments. They wish to bring into circulation as much silver coin as will serve for change, and for the small purchases and payments which cannot be conveniently made without it. But paper and coin of the same denominations can never circulate together; and it is in vain to expect any material benefit from a resumption of specie payments, while corporations and individuals are permitted to issue and circulate every description of small notes. To restore the currency of the State to its proper condition, it is necessary to compel the banks to resume, if they will not do it of their own accord; to prevent them from issuing, receiving, or paying out, any notes of a less denomination than five dollars; to prohibit other corporations, as

well as individuals, from issuing paper of any kind for circulation; and to get rid of the Rail Road orders, which the people are daily receiving in exchange for their property and labour.

These orders are fast reaching the point of depression, at which they will cease to be a currency; and it has been proposed to raise their value, by throwing upon the banks the responsibility of redeeming them. It is well to consider, whether the banks have a right to adopt the issues of the Rail Road Company, and what would be the effect of such an arrangement on the general currency of the State. They were authorised, by an act of last session, to receive and pay out these orders, which they could not previously do without violating the laws. But they were not authorised to adopt them as their own currency, or to become answerable for their redemption, or to make good the losses which might be sustained by their depreciation. If they have a right to use their funds in this manner for the purpose of raising the value of the Rail Road orders, they have equal authority to enter into an arrangement with the city of Philadelphia for redeeming the notes of the United States Bank.

But the banks could not assume the payment of the Rail Road orders, if they had a right to do it, without injuring their own credit, and increasing the difficulty of resuming specie payments. They are now unable or unwilling to redeem their own paper, reduced as it is in amount; and if they were to assume the payment of a million and a half of dollars, in addition to their present liabilities, it would be immediately suspected, that they were in a state of insolvency; and their own notes, instead of being at a discount of three or four per cent. would probably sink to the level of the Rail Road currency. It is contended, that the proposed arrangement, if carried into effect, would furnish the banks with the means of resuming specie payments, and give them the benefit of circulating the Rail Road certificates. The orders, however, if made equal in value to bank paper, would no longer supply the place of five and ten dollar bills; only a small portion of them would be required for change, and the rest would be returned to the banks. Whether they were kept in circulation or not, the liabilities of the banks would be increased in proportion to the amount assumed, while their additional means of meeting them would consist of unavailable stock. If the adoption of the Rail Road orders would enable the banks to resume, it would at the same time prevent the people from deriving any benefit from specie payments. They want a real resumption, that will bring specie into circulation;—not a nominal and deceptive one, that will enable the banks to evade their obligations.

The Rail Road orders were issued and received without the slightest expectation that the banks would ever be required to redeem them. The Rail Road Company entered into contracts, in July 1839, for the extension of their work from Harper's Ferry to Cumberland. They had previously consented to receive city stock

to the amount of three millions of dollars, which sum the city of Baltimore had subscribed for the construction of that part of the road. But as the stock could not be sold without considerable loss, the plan was devised of making it the basis of a paper currency; which, it was said, would afford important advantages to the public, as well as the most undoubted security to the holders. This scheme has enabled the Rail Road Company to dispose of city stock, to the amount of one million five hundred thousand dollars, at its par value; and to transfer to the holders of their certificates the risk and loss, which they were not willing to encounter themselves, of selling it in the market.

The city of Baltimore and the Rail Road Company have had all the benefit of the stock orders; the first, in saving the interest on an equal amount of stock; and the last, in obtaining the means of prosecuting their work. On the other hand, the banks were embarrassed by the measures that relieved the Rail Road Company. In 1839, they advanced five hundred thousand dollars on account of the city subscription, because they were informed, that, without a loan to that amount, the commencement of the road, beyond Harper's Ferry, would be postponed; they have since had a large portion of their own paper displaced and their profits diminished, by the circulation of the Rail Road orders; and now they are expected to repair the loss, which the depreciation of these orders has occasioned to the public.

The banks are not in a condition to perform any act of supererogation. They ought to be compelled, promptly and unconditionally, to redeem their own paper, meet their own liabilities, and comply with all the conditions of their charters; but it would seem to be unreasonable and unjust to make them answerable for the acts of other corporations, or for the redemption of any other paper than their own.

A further modification of the tariff, with a view to the protection of particular interests, has been made the subject of legislative resolutions in several of the States; and has been recently pressed upon public attention with so much earnestness, that I have been induced to submit a few observations, respecting the probable effect of such a policy upon the interests of the agricultural States.

The advocates of this policy complain of the heavy burdens, imposed by other nations on our flour, grain and tobacco; and insist, as a proper measure of retaliation, that high duties should be laid upon such foreign articles as come in competition with our domestic manufactures. It is thus proposed to compensate the agricultural States, for the restrictions imposed on the sale and consumption of their produce, by subjecting them to new burdens at home for the benefit of other sections of the Union. It can hardly be expected that increased duties at home will cause a reduction of duties in other countries; and it is well to consider the value of our present markets, before we incur the risk of making

them worse. Great Britain, in pursuance of her own policy, which has been introduced into this country as the true American system, restricts the importation of bread stuffs with the view of protecting her agricultural interests. Her restrictions on our exports are not greater than ours have frequently been upon her manufactures; and we have no reason to complain, as long as she admits our products on the same conditions that are imposed on those of other countries. In times of scarcity she admits our flour and grain, on the payment of merely nominal duties; and it must be recollected that her corn laws do not extend to her colonial possessions; which furnish extensive markets, not only for our agricultural produce, but also for our manufactures. In the year, ending the last of September 1840, the domestic exports from the United States to Great Britain and her dominions, exceeded sixty four millions of dollars. In that amount the following agricultural productions are included:

1,717,019	bushels of wheat, valued at . . .		$1,630,371
1,317,229	barrels of flour		6,925,637
386,611	bushels of corn		229,807
132,099	barrels of corn meal		446,464
49,193	" rye flour		156,913
Rye, oats, peas, and beans			76,604
74,876	barrels of ship bread }		
15,466	kegs do. }		292,167
33,122	hogsheads of tobacco, ...		3,776,770
495,366,332	pounds of cotton,	$41,983,922	
24,039	tierces of rice,	418,577	
			42,402,499
			$55,937,232

The remainder of the sixty-four millions is made up of the productions of the forest and the sea, and of various articles of domestic manufactures, such as hats, saddlery, coaches and other carriages, boots and shoes, and household furniture. The manufactures of iron, and of iron and steel, amounted to nearly one hundred thousand dollars; and hence it may be seen how materially this branch of domestic industry depends on the admission of foreign iron at a low rate of duty.

While our domestic exports to Great Britain and her dominions exceeded sixty-four millions, our imports fell short of forty millions. The domestic exports to the rest of the world amounted to less than fifty millions, and our imports to sixty-eight millions; and of the amount imported, six millions were exported to the British dominions. Our exports and imports, of course, vary from year to year, but the statement now given will show, that our trade with England is of the utmost importance to the whole Union, and especially to the agricultural States. It will show too, that if we give encouragement to foreign industry, by purchasing British manufactures, Great Britain gives encouragement to that immense

amount of American industry, which is employed in the production and transportation of the cotton, tobacco, flour, grain, and other articles which she receives in return.

It may be supposed that Great Britain will receive an equal amount of American produce, whether we increase the duties on her manufactures, or leave them at the present rate. To accomplish the purposes of the American system, it will be necessary to regulate the tariff in such a manner as to exclude, or materially diminish, the importation of foreign manufactures, and give our own the benefit of the home market. Great Britain would then perceive that her export trade to this country was of very little value; and might be induced to give a preference to other nations, and exclude our bread-stuffs from her markets. She could not procure an immediate supply of tobacco from other countries; but, by means of discriminating duties, she might encourage the cultivation of it in every climate adapted to its growth. Admitting, however, that a protective tariff would not diminish our exports, or deprive us of our present markets, the question arises, whether it would not operate as a tax upon American industry, and as a discouragement to the various pursuits in which nine-tenths of the people are now engaged, and which they think they have a right to follow without interruption from the government. It is impossible to state, in a message, all the objections that might be fairly urged against the protective system; and my object is merely to point out some of its principal evils.

High duties protect only such articles as are not produced in sufficient abundance to supply the home demand, and which, of course, are not sent to foreign markets. Such articles, as not only supply the home market, but are sent to other countries for sale, can receive no protection from duties and restrictions. In England the landed interest is protected by this system, because the quantity of grain is not sufficient for the wants of the English people. The British manufactures receive no encouragement from it, because they more than supply the home market, and are exported to other countries. The only protection they can receive is from bounties, and from the free admission of the foreign materials of which they are made. But those who are engaged in manufactures, commerce and trade, and all who are consumers and not producers of bread stuffs in that country, are subjected to a heavy expense and a consequent diminution of their profits, for the purpose of protecting the landed interest; and they are compelled to pay an advanced price, not only on the grain produced in England, but on that which is received from other countries.

In this country, the amount of agricultural produce is much greater than will supply the home demand, and the surplus is sent abroad to contend for the markets of the world. The productions, whether of the land or sea, or of domestic manufactures or mechanical labour, which are exported to foreign markets, require no protection, and can receive none, from a system of duties and re-

strictions. But all who are employed in producing the various articles, which now supply the export demand, would lose a part of their profits by being compelled to pay higher prices for whatever they are obliged to use or consume; and their capital and industry would be taxed and discouraged for the purpose of ensuring greater profits to those who have thought proper to engage in other pursuits.

The protective policy diminishes the value of land in two ways, first by lessening the profits of cultivation, and secondly by diverting capital from agricultural investments.

It reduces the value of labour, by taxing the means of subsistence; and diminishes the amount of goods consumed, without lessening the amount of money paid for them by the consumers.

It encourages smuggling, increases the number of revenue officers, and multiplies crimes and punishments.

The protective policy, in this country, operates unequally on different interests and on different sections of the country; and falls more heavily on the business of the country than of the towns.

It shackles the commerce of the United States, and operates as a bounty on the trade of the neighbouring British provinces.

It causes a sudden extension of the manufacturing business beyond the existing capital of the country, which cannot be immediately withdrawn from other pursuits; and fictitious capital must therefore be supplied by new banks created for that purpose. New companies, without skill or experience, and trading on borrowed capital, soon begin to be embarrassed; and then it is found that a new tariff is required to remedy the defects of the old. The tariff of 1824 was thus followed by the tariff of 1828; and the effect of these measures, upon various interests of the country, may be inferred from the encouragement then given to ship building; a branch of business, which gives employment and support to a greater number of mechanics, tradesmen, and labourers, than all the manufacturing companies of the United States. Previously to 1824, copper, iron, hemp, sail duck, and other materials for ship building, were charged with oppressive duties; which were raised by the tariff of that year to so enormous a rate, that it seemed to be the determination of the government to drive our ships from the ocean. According to the statement, made by Mr. Webster in his speech on the tariff bill, the duties on the materials used in the construction and equipment of a ship of 359 tons, with copper fastenings, but not with a coppered bottom, amounted to fourteen hundred dollars. This tax of nearly four dollars a ton did not afford sufficient encouragement to other branches of American industry; and it was raised to the proper scale of protection by the tariff of 1828.

It has been seriously contended, that the extensive cultivation of cotton in the Southern States is the effect of the American System; though no explanation is given, why a duty at home

should create a foreign demand for it. The sugar of Louisiana has certainly been protected by the tariff, because the quantity produced was not sufficient to supply the home demand. It is doubtful however, whether the sugar planters have gained as much by the enhanced value of their crops, as they have lost by the higher prices, which they have been compelled to pay for other protected articles. It is hardly necessary to show, that the duty on cotton is entirely inoperative; and that no article, which is cheaper at home than elsewhere, and is sent abroad to find better markets, can receive the least protection from duties and restrictions. Cotton might be brought into the United States from Texas or Egypt, without affecting the interests of the Southern States; because it would only be making a circuitous voyage to France or England, instead of being exported directly to those countries from the place of its growth.

The main principle of the protective policy is, that every country ought to produce at home, whatever is required for the use of its inhabitants; and to provide a home market for the products of its own industry. If this principle were carried into practice, all commercial intercourse between nations would cease; the great cities of the world would be converted into ruins; ships would no longer be seen traversing the ocean; and ignorance and barbarism would cover the face of the globe. It may be supposed, however, that a policy, which would not admit of universal application, might be beneficial to the United States, or any other country, whose diversity of climate and resources enabled it, with proper encouragement, to furnish all the necessaries and comforts of life. This is the policy which the friends of domestic industry so earnestly recommend. If it were adopted, and could possibly be carried into effect, our exports and imports would cease; our navy and shipping would be destroyed; the principal source of federal revenue would be cut off; the canals and rail roads leading to the Atlantic cities would be rendered unprofitable and useless; agriculture, commerce, and manufactures would perish from want of support; the southern states would become a desert, and our eastern brethren might set out on a new pilgrimage, and retire into some wilderness where the littleness of man had not been striving against the providence of God.

But it may be said that the advocates of a home market and domestic supplies only wish to apply their doctrines to particular branches of our foreign trade, and do not intend to destroy it altogether. They consider it especially desirable to provide a home market for the immense amount of cotton which is exported to other countries, and to employ our own citizens in manufacturing such articles as are now received in return for it. It would then be found, that in getting rid of one difficulty, we should encounter another, for instead of exporting the raw material, we should be obliged to depend on foreign markets for the sale of it in a new form; and whether our exports consisted of manufactures or

agricultural produce, we should be compelled to receive foreign productions in return; and it might still be said, that we were encouraging the industry of other nations, and neglecting the interests of our own citizens.

The present state of our foreign relations points out the only object which ought to be kept in view in laying duties and imposts; and that is, to provide a revenue for the defence of the country. The greatest amount of revenue is derived from moderate duties, which neither give encouragement to smuggling, nor materially diminish the consumption of the articles on which they are laid. The hope is still entertained that the questions in dispute between the United States and Great Britain may be amicably adjusted; and that there will be no serious interruption of the commercial intercourse and friendly relations which are of so much importance to both nations. But the grounds of controversy are becoming so numerous and complicated, that it is impossible to tell how soon a different state of things may arise; and it is therefore the wisest course to make preparations for defence, not with the view of bringing on hostilities with any Power, but to meet aggression from whatever quarter it may come. Hitherto, we have trusted too much to the justice and moderation of other governments; and even now, while dangers appear to be thickening around us, we are forming home leagues, not to repel foreign invasion, but to raise the price of domestic goods; and the congress of the United States, having already relinquished the proceeds of the public lands which might have been applied to purposes of defence, are debating whether a bill shall be brought in for impairing the revenue from imposts, to enable the proprietors of iron-foundries, salt-works, and manufacturing establishments to make a larger profit on their investments.

Measures of defence against a naval power are perhaps of more importance to Maryland than to any other State in the union. A hostile fleet having possession of the Chesapeake Bay, might cut off the whole of our trade, destroy our villages, and lay waste a large portion of the State. It would be impossible to guard every part of our shores, and while our forces were preparing to defend some particular spot, the enemy might land in a different direction, plunder a whole neighbourhood, and return in safety to their ships. The injury would not be confined to Maryland, or to the States bordering on the Chesapeake. The inland trade between the northern and southern States would be interrupted, the produce of a large portion of the country would be deprived of its most convenient outlet, the militia of the neighbouring States would be continually called from their homes, and the enemy, after drawing the attention of the government from other points, might make an unexpected attack in some distant quarter of the union. This is not merely a supposition of what may possible happen, but a description of what actually occurred during the last war. These evils, and the disgrace attending them, may be avoided by having,

in addition to our regular naval force, a sufficient number of steam frigates to guard the Chesapeake Bay. In case of war, they might be stationed in Hampton Roads, where they would be ready to meet an enemy at the capes, or assist in defending the fortifications at Old Point. They might follow a superior fleet, if their own force was greater than that of the steam vessels which accompanied it, might watch its movements, prevent it from landing troops or ascending our rivers, and cut off its communication with the sea. But the probability is, that a fleet would not advance far into the bay, or attempt to occupy a permanent position in our waters, while we had a strong disposable force to check its operations and take advantage of any accident or disaster that might befall it. In calling the attention of the Legislature to this subject, I wish to be understoed as only claiming for Maryland, that protection and defence which it is the duty of the general government to extend to every State in the Union.

WM. GRASON.